



GARY R. HERBERT
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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 4, 2016

Eric York
Intrepid Potash – Moab LLC
P.O. Box 1208
Highway 279 Potash Rd.
Moab, Utah 84532

Subject: Conditional Approval of Amended Notice of Intention to Commence Large Mining Operations, Intrepid Potash – Moab LLC, Cane Creek Mine, M/019/0005, Grand County, Utah

Dear Mr. York:

The Division of Oil, Gas and Mining has reviewed the amended Notice of Intention to Commence Large Mining Operations (Notice), received July 5, 2016. Prior to issuing final approval, the Division requires that you:

1. Make the following corrections: The annual escalation factor the Division uses is 0.7%, not 0.5% as shown on Line 17 of Table 1. Also, line 20 should say, "Bond Amount... 2021 Dollars." Line 22, Difference between Cost Estimate and Bond, should then come to \$387,000. Please correct these three lines and provide two copies of the revised Table 1. When final approval is issued, one copy of the complete amendment will be stamped "approved" and returned to you for your records;
2. Provide reclamation surety in the amount of **\$5,619,000** (copy of cost estimate below). To expedite the approval, the Division has recalculated the required surety amount shown in Table 1 using the above escalation factor for you. Please contact Penny Berry at (801) 538-5291 or pennyberry@utah.gov to obtain the appropriate reclamation surety forms.

Annual escalation based on 0.7% escalation factor

Year	Bond Amount	Esc Factor	Increase	Total
2016	\$5,426,313.00	0.007	\$37,984.19	\$5,464,297.19
2017	\$5,464,297.19	0.007	\$38,250.08	\$5,502,547.27
2018	\$5,502,547.27	0.007	\$38,517.83	\$5,541,065.10
2019	\$5,541,065.10	0.007	\$38,787.46	\$5,579,852.56
2020	\$5,579,852.56	0.007	\$39,058.97	\$5,618,911.53
2021	\$5,619,000.00	(Rounded up to nearest \$1000)		

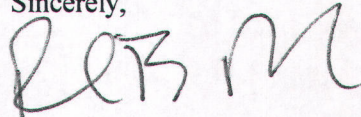


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Please note that the calculations reflect the requested bond release since the structures that were removed from the site and the new structures that have been added in the amendment are accounted for in the bond calculation. The Division will verify removal of the structure for which release was requested.

Thank you for your cooperation and patience in completing this permitting process. Please contact Mike Bradley at 801-538-5332 or me at 801-538-5261 if you have questions regarding this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'PB M', is written over the word 'Sincerely,'.

Paul Baker
Minerals Program Manager

PBB:mpb:pb

cc: Woody Campbell, UDWQ (wwcampbell@utah.gov); Jerry Mansfield, SITLA (jmansfield@utah.gov)
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